

The Integrated Deepwater System Program

14 April 2004



**RADM Patrick M. Stillman
Program Executive Officer**



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Agenda: Updates and Challenges

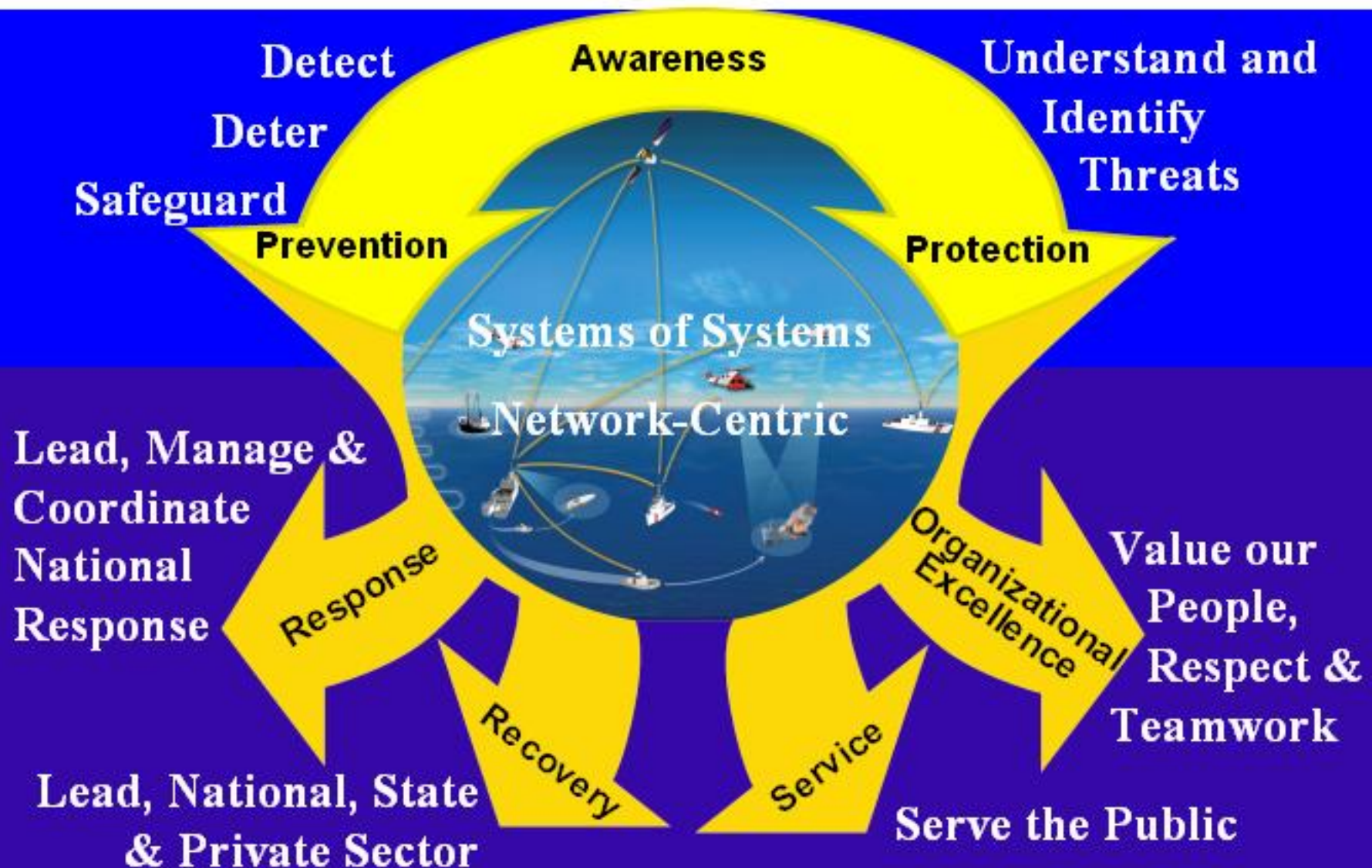
- **Overview**
- **Budget History**
- **Asset Status**
- **Critical Enterprise Issues**
- **Challenges**
- **Conclusion**

“The need is real and the time is now”



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DHS Strategic Plan



FY03 – FY05 Budget

IDS Budget Categories	FY 02 Appropriation	FY 03 Appropriation	FY 04 Appropriation	FY 05 Appropriation
	\$M	\$M	\$M	\$M
Aircraft	54.2	163.2	142.7	147.3
Maritime Patrol Aircraft (MPA)	21.8	146.3	25.0	5.3
VTOL Unmanned Air Vehicle (VUAV)	15.0		50.0	43.0
Other Contracts/Legacy Sustainment	17.4	16.9	67.7	99.0
Surface Ships	31.0	198.9	302.6	354.3
National Security Cutter (NSC)	7.3	131.9	208.0	274.5
Offshore Patrol Cutter (OPC)			20.0	5.0
Patrol Boats (110' to 123' Conversions and Fast Response Cutter (FRC))	13.9	60.4	66.0	60.0
Short Range Prosecutor (SRP)	1.0	2.8	1.6	2.3
Other Contracts/Legacy Sustainment	8.8	3.8	7.0	12.5
C4ISR	121.3	23.7	101.4	53.6
Command & Control System for Common Operating Picture (COP)	107.4		58.0	31.0
Cutter Upgrades - C4ISR			7.1	15.0
270' Cutter Upgrade – C4ISR	3.4	0.7		
210' Cutter Upgrade – C4ISR	2.5	1.4		
378' Cutter Upgrade – C4ISR	3.5	3.1		
Shore Sites	2.3	5.4	22.1	6.0
Other Contracts/Legacy Sustainment	2.2	13.2	14.2	1.6
Logistics	19.7	17.8	45.4	39.9
Integrated Logistics Support	18.0	16.8	19.2	15.1
Shore Sites	1.7	1.0	20.7	1.6
Facilities Design Required for Future Asset Deployments			5.5	23.1
Systems Engineering and Integration	53.9	43.4	42.1	45.0
Government Program Management	40.1	22.8	34.0	38.0
Total Capital Acquisition	(A) 320.2	(B) 474.9	668.2	678.0

(A) The appropriation in FY2002 started the acquisition and procurement stage of the program. For FY2002, a single IDS amount was appropriated.

(B) \$478.9M was appropriated, but a .00165 revision resulted in \$474.9M being available for obligation.



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National Security Cutter

National Security Cutter [Delivery 2006 – 2013]

- Funding in FY04 and FY05 request provide design and development of NSC lead ship and building second NSC
- Construction expected to begin summer 2004; first NSC scheduled to be delivered late 2006
- Naval Operational Capability (NOC) incorporated into design along with post 9/11 requirements changes



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123' Patrol Boat

123' Patrol Boat (Legacy 110' SLEP) [Delivery 2004–2010]

- **MATAGORDA – Delivery 5 March 04**
 - C4ISR installation
 - 1ST Short Range Prosecutor delivered with MATAGORDA
- **METOMPKIN, PADRE, ATTU & NUNIVAK at Bollinger**
- **Goal is to accelerate FRC**
 - Initial Concept Study Complete
 - Assessment of Business Case
 - FY04 Appropriations included \$66M for Patrol boats (FRC and 123 conversion)



MATAGORDA



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Offshore Patrol Cutter

Offshore Patrol Cutter

- Funding in FY04 to commence OPC design
- Requirements change decision memo pending
- Potential for LCS partnering



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Maritime Patrol Aircraft

- MPA completed successful Preliminary Design Review (PDR)
- Delivery of first two stock CASA aircraft scheduled for early 2006 with mission modification to the aircraft completed by late 2006; FY05 funding request supports missionization of 3rd MPA
- Ongoing effort to determine optimal mix of HC-130 and the CASA to provide the ability to meet the overall system requirements



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Vertical Unmanned Air Vehicle

Bell HV-911 "Eagle Eye" VTOL Unmanned Air Vehicle – Delivery 2006-2018



- VUAV Design and development costs funded in FY04; FY05 request includes purchase of two VUAVs
- VUAV Prototype has flown over 100 flight hours; full scale airplane Dec 04
- Partnering opportunities
- Risk mitigation



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HH-65 Re-engining



- Re-engining project will restore HH-65 to safe and reliable operations
- Significant operational restrictions are in place to mitigate risks
- 15 Jan 04 Integrated Coast Guard Systems (ICGS) directed to will identify and implement the re-engining project solution within 150 days
- Request for Information (RFI) issued on 29 January; industry responses due 24 Feb with cost data
- Project cost is approximately \$190-250M and will be completed in the shortest time possible (18-24 months) in order to minimize operational impacts... timeline constrained by availability of engines
- FY04 Appropriation allocated \$67.7M for Other Aircraft Contracts/Legacy Sustainment. \$5.7M originally dedicated to HH-65 maintenance and safety work with Honeywell with \$52M remaining for re-engining. \$10M had already been transferred for the HH-60 avionics upgrade before the HH-65 decision was made
- Long-term plan is still to convert the HH-65 to the Multi-mission Cutter Helicopter (MCH)



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C4ISR Summary

- Critical enabler to higher levels of MDA
- CG-C2 Enterprise Architecture
- Common Operating Picture:
 - Network-centric interoperable C4ISR architecture
 - Develop better situational awareness and maintain a common operational picture
- 9 of 13 Legacy 270s have been upgraded
- Accelerate Deepwater upgrade to provide access to DOD's Secure Internet Protocol Routing Network (SPRNET) and a classified Local Area Network
- Conducted SIPRNET Out of Hemisphere test aboard CGC TAMPA
- 378 Step 1 designed finalized and CG/ECP/SHIPALT approved for Ship #1
- Completed CAMSLANT upgrade design



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Logistic Summary

- **HSI – Material solutions made for people to use to fulfill the mission needs of their organization**
- **CG Enterprise – wide transformation**
- **DHS Financials**
- **Logistics requirements will be assessed during design review for**
 - 123
 - NSC
 - C4ISR System
 - Eagle Eye
- **Fully implemented ILS will achieve significant savings to operating costs**
- **Deepwater platforms will be designed to be reliable, maintainable, supportable, and affordable**
- **Logistics Information Management Systems (LIMS)**



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Critical Enterprise Issues

- **Requirements Definition and Approval**
 - **Mission Needs Statement (MNS) Update**
 - **Performance Gap Analysis**
 - **Prioritization & Sequencing**
 - **Incrementalism**
- **Department of Homeland Security Oversight**
- **National Fleet**
- **Maritime Domain Awareness**
- **Homeporting**

Challenges and Opportunities

- Acceleration
- Legacy Asset Sustainment
- GAO/IG Audits
- Logistics Transformation

Legacy Asset Sustainment

- In the first two years of the contract our legacy assets are in far worse shape than expected
- The decision of the Commandant to quickly re-engine the HH-65 helicopter based on safety and performance issues.
- The 110-foot patrol boats, to be upgraded and extended to 123 feet, are experiencing systemic problems with hulls
- The Coast Guard is experiencing legacy asset failures requiring increased Deepwater legacy asset sustainment funding which will reduce funding available for recapitalization
- Total Legacy Asset Sustainment funded/requested to date is \$140M more than planned... internal prioritization across domains underway



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Deepwater Audit Update

Five Audits Ongoing:

1. GAO Contract Management Audit report released 9 March

- Report recommends improvements in:
 - Program management (IPT effectiveness, staffing as addressed in the Human Capital Plan, and communication with field operational units)
 - Contractor accountability (award fee criteria, COTR input for award fee assessments, system integrator accountability for IPT effectiveness in award fee determinations, Total Ownership Cost (TOC) baseline measuring cost with and without Deepwater acquisition approach, and criteria for TOC baseline adjustments)
 - Cost control through competition (system integrator accountability for competition among second tier suppliers, and for subcontracts over \$5M subcontractor notification to the Coast Guard if they do not contract out and an evaluation of the alternatives considered)
- House Authorization Hearing 28 April
- Written update on progress to be provided to GAO every 6 weeks



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Deepwater Audit Update

- Overall concurrence with GAO's recommendations
- Many recommendations were in place at the time the final report was released, or are in the process of being adopted:
 - IPT process and performance improvements have been implemented
 - Action plan for the Human Capital Plan is in place
 - Program metrics and Award Fee process are being refined
 - Award Term Evaluation process under revision to improve timeliness and consistency of oversight
 - Contractor performance and competition recommendations are being assimilated
- Appropriation Hearing Assessment
 - Senate
 - House



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Deepwater Audit Update

Five Audits Ongoing (continued):

2. **GAO Appropriations Audit focusing on fund allocation impact on budget and implementation schedule in progress**
 - USCG has fully met all meeting and deliverable requests
 - GAO plans to release results in the form of a slide presentation on 31 May
 - USCG has agreed to work with GAO to minimize agency comment period
3. **GAO HH-65 Re-engining Audit report released 24 March**
 - GAO confirmed that the Coast Guard made a fact/risk-based decision to replace the engines.
 - GAO stated their concerns about whether the replacement engine will align with Deepwater requirements
 - GAO did not have any specific recommendations
4. **DHS IG HH-65 Re-engining Audit report released 26 March**
 - Provided technical and programmatic comments on draft report
5. **DHS IG Airborne Use of Force Helicopter (HITRON) Audit contract review**
 - Provided majority of responses to GAO requests; Operational response forthcoming



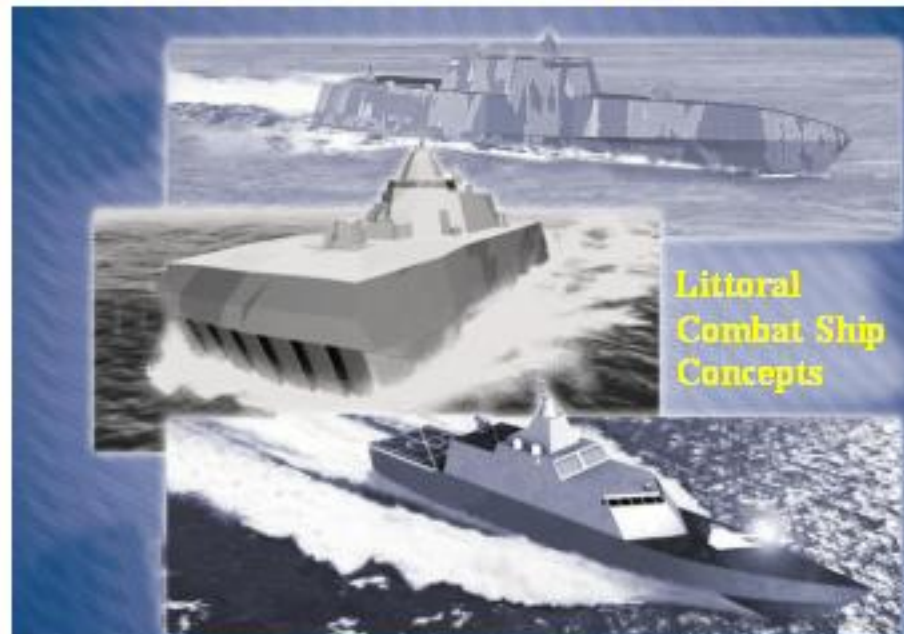
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Interoperability: National Fleet Status

- **Combat Systems**
- **Common subsystems installed in the LCS and Deepwater vessels.**
 - Vertical launch unmanned air vehicle (UAV): Control
 - Open systems architecture
 - Seamless interoperability
- **Deepwater leverage Navy Research & Development**
 - Capture evolving technologies
- **Broad Area Maritime Surveillance (BAMS)**



Offshore Patrol Cutter



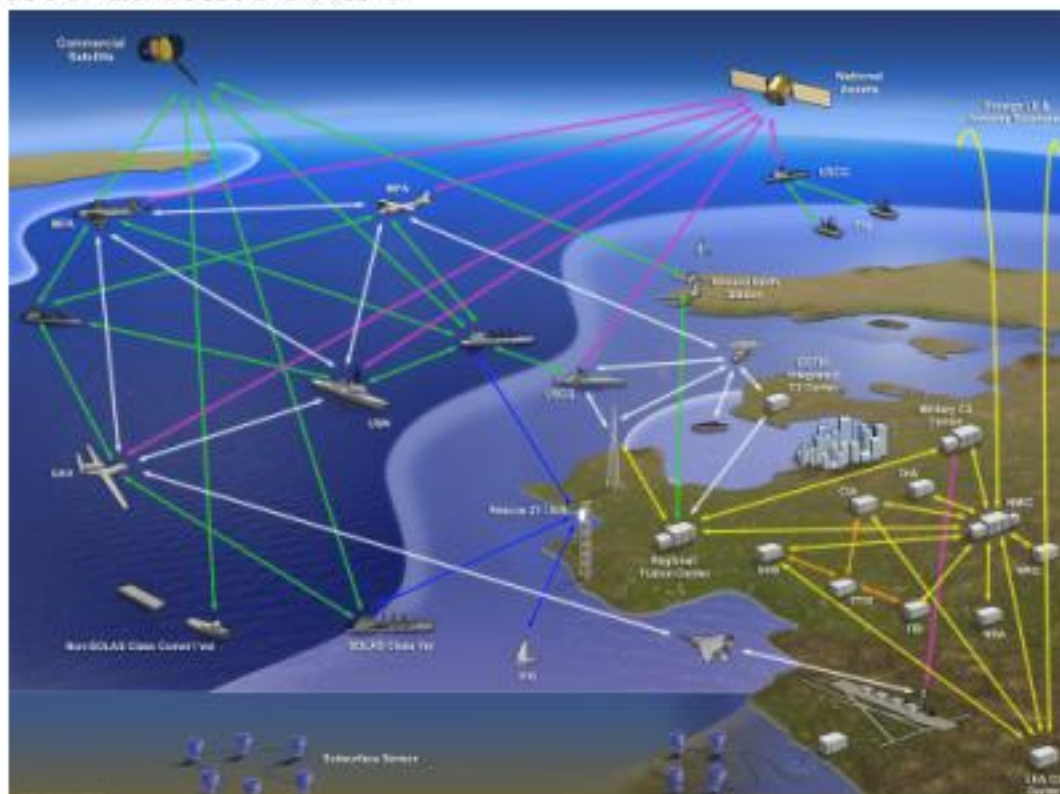
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Maritime Domain Awareness

Enhancing Maritime Domain Awareness through fully interoperable network-centric architecture



Integrates the power of System of Systems with net-centric technology



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The Bottom Line

Never Forget Why We Do What We Do



The World's Best Coast Guard